

**96.895 Proration and distribution of payments of sums equivalent to taxes based on book value among the state, counties, cities, and school districts.**

- (1) Except for payments made directly by the Tennessee Valley Authority to counties, the total fiscal year payment received by the Commonwealth of Kentucky from the Tennessee Valley Authority, as authorized by section 13 of the Tennessee Valley Authority Act, as amended, shall be prorated thirty percent (30%) to the general fund of the Commonwealth and seventy percent (70%) among counties, cities, and school districts, as provided in subsection (2) of this section.
- (2) The payment to each county, city, and school district shall be determined by the proportion that the book value of Tennessee Valley Authority property in such taxing district, multiplied by the current tax rate, bears to the total of the book values of Tennessee Valley Authority property in all such taxing districts in the Commonwealth, multiplied by their respective tax rates, provided, however, each public school district for the purposes of this calculation shall have their tax rate increased by thirty cents (\$0.30).
- (3) As soon as practicable after the amount of payment to be made to the Commonwealth of Kentucky is finally determined by the Tennessee Valley Authority, the Kentucky Department of Revenue shall determine the book value of Tennessee Valley Authority property in each county, city, and school district and shall prorate the total payments received from the Tennessee Valley Authority, except payments received directly from the Tennessee Valley Authority, among the distributees as provided in subsection (2) of this section. The Department of Revenue shall certify the payment due each taxing district to the Finance and Administration Cabinet which shall make the payment to such district.
- (4) As used in subsections (2) and (3) of this section, "Tennessee Valley Authority Property" means land owned by the United States and in the custody of the Tennessee Valley Authority, together with such improvements (including work in progress but excluding temporary construction facilities) as have a fixed situs thereon if and to the extent that such improvements either:
  - (a) Were in existence when title to the land on which they are situated was acquired by the United States; or
  - (b) Are allocated by the Tennessee Valley Authority or determined by it to be allocable to power; provided, however, that manufacturing machinery as interpreted by the Department of Revenue for franchise tax determination shall be excluded along with ash disposal systems and, coal handling facilities, including railroads, cranes and hoists, crushing and conveying equipment. As used in said subsections "book value" means original cost unadjusted for depreciation as reflected in Tennessee Valley Authority's books of account. "Book value" shall be determined, for purposes of applying said subsections, as of the June 30 used by the Tennessee Valley Authority in computing the annual payment to the Commonwealth which is subject to redistribution by the Commonwealth.

- (5) This section shall be applicable to all payments received after September 30, 1985, from the Tennessee Valley Authority under Section 13 of the Tennessee Valley Authority Act as amended.

**Effective:** June 20, 2005

**History:** Amended 2005 Ky. Acts ch. 85, sec. 104, effective June 20, 2005. -- Repealed and reenacted 1990 Ky. Acts ch. 476, Pt. V, sec. 301, effective July 13, 1990. -- Amended 1986 Ky. Acts ch. 27, sec. 1, effective February 24, 1986. -- Amended 1978 Ky. Acts ch. 163, sec. 2, effective March 29, 1978. -- Created 1952 Ky. Acts ch. 61, sec. 1, effective June 19, 1952.